GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:205
ANSWERED ON:14.12.2015
PNG/CNG Distribution by Private Companies
Tadas Shri Ramdas Chandrabhanji

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the existing mechanism of distribution of PNG/CNG in the country;
(b) whether the Government proposes to carry out distribution and sale of PNG and CNG gas through private companies and if so, the details thereof along with the names of such companies and cities involved in such distribution;
(c) whether the Government has allowed some private companies to construct gas pipeline in the country;
(d) if so, the details thereof and the number of contracts for construction of gas pipeline awarded by the Government to private companies, project/company and State/UT-wise including Maharashtra; and
(e) the efforts made by the Government to decontrol the PNG/CNG gas sector in order to provide clean and cheap fuel and supply to domestic/industrial use in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) to (e): A statement is laid on the Table of the House.
STATEMENT REFERRED IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO.205 ASKED BY SHRI RAMDAS C. TADAS, MP TO BE ANSWERED ON DECEMBER 14, 2015
(a): Distribution of Compressed Natural Gas (CNG)/ Piped Natural Gas (PNG) for domestic, commercial and Industrial usage is carried out by City Gas Distribution (CGD) network. In year 2007, Government has established Petroleum and Natural Gas Regulatory Board (PNGRB) under the PNGRB Act 2006. Under the Act, PNGRB grants the authorization to the entities for developing a CGD network in a specified Geographical Area (GA) of the country. This authorization is granted in terms of the provisions of the PNGRB Act 2006 and the relevant regulations notified thereunder, namely, PNGRB (Authorizing entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
(b) to (d): Granting of authorization for development of CGD network to supply CNG/PNG in a specified GA is being carried out in a transparent manner by the PNGRB as provided in the Act. PNGRB follows the bidding process to select the entities for granting authorization to develop CGD network. Bids can be submitted by either a private company or a public company subject to qualifying the bidder evaluation criteria as referred to in PNGRB (Authorizing entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008. PNGRB is only granting authorization to entities for development of CGD network and subsequent contracts for construction of gas pipeline/CGD network are being awarded by the concerned authorized entities. In the State of Maharashtra, the following four entities are developing CGD networks in different cities/GAs.
i) Mahanagar Gas Limited (MGL) - Mumbai, Greater Mumbai, Thane City and adjoining areas, Raigarh.
ii) Maharashtra Natural Gas limited (MNGL) - Pune City
iii) Gujarat Gas Limited (GGL) - Thane District (excluding areas of MGL)
iv) Mahesh Resources Private Limited - Pune District (excluding areas of MNGL
The details of the entities which are carrying out distribution of CNG/PNG in the country are at Annexure-I.
(e): Government has accorded highest priority in domestic gas allocation to PNG (Domestic) and CNG (Transport) segments of CGD networks in order to faster rollout of PNG/CNG networks. The entire gas requirement of CNG (Transport) and PNG (Domestic) is being met by supply of domestic gas. The selection of granting authorization to develop CGD network is being done based on competitive bidding process. Maximum Retail Prices of CNG/PNG are being fixed by concerned entities as provided under the PNGRB Act, 2006 and Government does not fix/regulate the prices of CNG/PNG supplies.
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